

DIRECTIVE

WORKFORCE INVESTMENT ACT

Number: WIAD01-11

Date: March 11, 2002
69/45:114:va:4842

TO: WORKFORCE DEVELOPMENT COMMUNITY

SUBJECT: EXEMPLARY PERFORMANCE INCENTIVE AWARD **(INACTIVE)**

EXECUTIVE SUMMARY:

Purpose:

This directive provides State guidance for awarding Workforce Investment Act (WIA) exemplary performance (EP) incentive awards to Local Workforce Investment Areas (LWIA). These awards would apply to performance achieved each year beginning with Program Year (PY) 2001-2002. Performance achieved during PY 2000-2001 will not be eligible for EP incentive awards. The directive is also applicable for future EP incentive awards until it is superseded by another directive or is rescinded.

Scope:

This directive applies to all LWIAs.

Effective Date:

This directive is effective immediately.

REFERENCES:

- WIA Sections 128 (a), 133 (a), 134 (a), and 136 (c)
- Title 20, Code of Federal Regulations, Sections 666.100, 666.400, and 666.410
- Department of Labor (DOL) Training and Employment Guidance Letter (TEGL) 7-99, Subject: Core and Customer Satisfaction Performance Measures for the Workforce Investment System (March 3, 2000)
- DOL TEGL 14-00 Attachment G, Subject: Workforce Investment Act (WIA) Performance Reporting System (March 5, 2001)
- DOL TEGL 14-00, Change 1, Attachment G, Subject: Revised Instructions and Form for the WIA Title 1B Annual Report (ETA 9091) (October 1, 2001).
- California Workforce Investment Board (State Board), EP Incentive Award Policy approved (June 26, 2001)

STATE-IMPOSED REQUIREMENTS:

This directive contains some State-imposed requirements. These requirements are indicated by ***bold, italic*** type.

FILING INSTRUCTIONS:

This directive finalizes Draft Directive WIADD-26, issued for comment on December 18, 2001. Retain this directive until further notice.

BACKGROUND:

Under WIA, states and Local Workforce Investment Boards (LWIB) have increased authority and flexibility to design and implement workforce investment strategies and innovative programs that meet local needs. States are required to reserve funds for incentive grants to local areas for regional cooperation among local boards and local coordination of WIA activities, and exemplary performance by local areas on the local performance measures [WIA 134(a)(2)(B)(iii)].

The State Board convened a workgroup of representatives from LWIAs, the Chancellor's Office, California Community Colleges, and the State Department of Education to assist in the development of a State incentive policy. The workgroup met in Sacramento on May 10, 2001, to discuss policy implications, options and recommendations relative to:

- EP incentive awards
- Incentive awards for exemplary regional collaboration and local coordination efforts
- Percentage of the available funds to be allocated for the two incentive awards

POLICY:

Thirty percent of the funds reserved by the Governor for incentive awards will be used for EP incentive awards. The remaining 70 percent of the funds will be used to reward regional cooperation and local coordination efforts. This directive explains the process for determining eligible, individual LWIA EP incentive awards amounts. A separate directive will be issued explaining the application process for the regional cooperation and local coordination incentive awards.

To receive a full EP incentive award, a LWIA must meet or exceed their negotiated performance goals for all of the measures in each of the four WIA customer groups. A LWIA may receive a partial award for meeting or exceeding all of the performance goals in any one of the customer groups.

Each of the four WIA customer groups has been assigned a percentage rate for an EP incentive award. The percentage rates are used to determine the amount of money a LWIA may receive from the total funds available. The approved percentage rates are provided below:

- ***Adult - 50%***
- ***Dislocated Workers - 25%***
- ***Older Youth - 12.5%***
- ***Younger Youth -12.5%***

Example A: The LWIA met all performance goals for each of the four groups, Adult, Dislocated Workers, Older Youth and Younger Youth. The LWIA will receive a full EP incentive award.

Example B: The LWIA met all Adult, Dislocated Worker and Older Youth performance goals but failed to achieve 100 percent of their negotiated performance levels in the Younger Youth group. The amount of their EP incentive award would be reduced by 12.5 percent, the percentage associated with Younger Youth. Therefore, the LWIB will receive a partial EP incentive award.

Awards Calculation Methodology

To determine the potential dollar amount of awards, the total formula allocation for each LWIA receiving an award is divided by the total of all formula allocations for LWIAs receiving EP incentive awards. The resulting percentage reflects each LWIA's share of available EP incentive awards funds.

This amount is adjusted to meet minimum and maximum award caps. For the purposes of this directive, a minimum award is no less than one percent of the total funds made available by the Governor for EP incentive awards. A maximum award is no more than ten percent of the total funds made available for EP incentive awards. Partial awards are calculated by reducing this adjusted amount by the percentages assigned to each customer group.

The EP incentive awards will be calculated by the Workforce Investment Division (WID) and will be based upon the performance outcomes reported to DOL in the State's WIA Annual Report (Annual Report). Data will be calculated during December following the close of the most current performance year. The data will be automatically processed as part of the Employment Development Department/WIDs administrative role for the WIA program in California.

Following the submission of the Annual Report to DOL, WID will notify both the State Board and potential EP incentive award recipients of their potential award amounts. This notification will be mailed out in December following the submission of the Annual Report to DOL.

As defined by DOL for the purposes of the Annual Report, the measurement periods for the EP incentive awards are the following:

For the 13 performance measures evaluated with data from the Unemployment Insurance wage record file, the 12-month measurement period begins October 1, prior to the beginning of the program year and ending the following September 30. For example, the measurement of the 13 performance measures is derived from the wage record file for participants who exit the program from October 1, 2000, through September 30, 2001. This is the reporting period for the PY 2001-2002 EP incentive award.

This measurement period applies to the following measures:

- Adult and Older Youth: entered employment rate, employment retention rate, wage gain measures and the employment and credential rate; and
- Dislocated Worker: entered employment rate, employment retention rate, wage replacement measurements, and the employment and credential rate; and
- Younger Youth: retention rate

The EP incentive awards may be used for any WIA allowable program or administrative activity. Participants served with funds awarded for exemplary performance must be counted in determining performance measures.

ACTION:

Bring this directive to the attention of affected staff.

INQUIRIES:

If you have any questions, please contact your [Regional Advisor](#).

/S/ BILL BURKE
Chief